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Anti Money Laundering Policy

The Money Laundering Regulations require us to establish appropriate risk-based policies and procedures to assess and manage the risk that our services may be used for money laundering or terrorist financing, bribery and the criminal facilitation of tax evasion. Our policies should also ensure that in the event that we encounter suspected money laundering, terrorist financing, bribery or criminal facilitation of tax evasion we recognise it and deal with it appropriately.

Policy statement

The firm has a policy of zero tolerance of any involvement in money laundering, terrorist financing, bribery or the criminal facilitation of tax evasion when dealing with clients or the firm's own affairs. All principals, employees and sub-contractors are required to comply with the ICAEW Code of Ethics including Professional Conduct in Relation to Taxation.

All principals, employees or sub-contractors have a statutory duty to report any knowledge or suspicion of money laundering including terrorist financing, bribery and the criminal facilitation of tax evasion to the MLRO following the procedures detailed below.

Risk assessment and management

A risk assessment dated 17 March 2020 has been carried out and currently we have no high risks associated with any of our clients or business activities.

We do not deal with overseas clients or clients that trade overseas. Similarly, we do not deal with any regulated clients. In the event that we do take on such a client we will need to review our systems and update them to deal with the additional risks that this introduces.

The firm's main risk in terms of encountering money laundering relate to clients or others who are evading tax.

We will also be vigilant in looking out for offences under the Bribery Act and Criminal Finances Act especially in relation to the criminal facilitation of tax evasion.

We may also encounter theft, including clients or others who deliberately fail to refund overpayments by customers, and fraud, including falsifying financial information in order to raise finance.

Whilst it is less likely that we will encounter other forms of money laundering or any terrorist financing, we must remain alert to such a possibility. In particular, we need to identify and review carefully any activity which appears likely by its nature to be related to money laundering or terrorist financing. For example, we may have cash based businesses such as pubs or shops that could be used to launder cash from local drug dealers or other criminals.

Similarly, whilst most of our clients have straightforward business arrangements, we must nevertheless be aware of the need to identify and review carefully any complex or unusually large transactions we encounter and any unusual patterns of transactions which have no apparent economic or visible lawful purpose. We will also be aware that clients that we do not meet may pose a greater risk as do structures that favour anonymity.



We will ensure that the risk of reports not being made where necessary is mitigated by undertaking ongoing relevant training as detailed below.

Individual client risks

As well as the practice-wide client risks we need to identify the risk of money laundering on a client by client basis. We will use a simple risk assessment system, designating each client as normal or high risk. In order to avoid the risk of inappropriate risk assessment and to maintain the simplicity of this basic system we will not class any client as qualifying for simplified due diligence. In practice there will be very few cases where simplified due diligence will apply.

We will use the Client Risk Assessment Form for each client to determine and record the appropriate risk.

Customer Due Diligence (CDD)

Before undertaking any work for a client, we must conduct customer due diligence. We will use the appropriate Customer Due Diligence form to ensure that we have the correct identification in place for each client:

- Identification form for an individual
- Identification form for an unlisted limited company
- Identification form for a partnership
- Identification form for a charity

Should we obtain any clients that do not fall within one of these categories we will need to review the [CCAB¹ money laundering guidance](#) to ensure we obtain adequate evidence of identification. Further guidance may be obtained from the ICAEW technical helpline on 01908 248 250.

In the unusual event of us being unable to verify the identity of a beneficial owner of a body corporate client we will use the Identification form- corporate body unidentified beneficial owner form. We would expect this form to be used in very rare cases and you will be required to detail on this form the steps that you have taken to verify the beneficial owner. Only then can the most senior person within the client company be assumed to take on the role of beneficial owner. We might also need to consider making a suspicious activity report if the ultimate beneficial owner cannot be established.

We are required to review our customer due diligence information to ensure that it remains up to date, and if not, to update it. Given the annual nature of our work we will do this annually, unless our risk assessment indicates that this should be done more frequently, and record that review on the appropriate know your client (KYC) form, or complete a new form if required.

This review should ensure that:

- The information relating to the client and the evidence of identification relating to the entity remain up to date.
- The information held about the principals of the entity remains up to date.
- We continue to have adequate information to enable us to satisfy ourselves of the identity of any beneficial owners.
- The “know your client” information remains up to date.

¹ Consultative Committee of Accountancy Bodies AML Guidance



- The client's risk assessment remains appropriate.
- Scrutiny of the client's transactions to ensure that they are consistent with our understanding of the client and their risk profile.

This review process should also be undertaken whenever we become aware of one of the following:

- The control over the day to day management of the client has changed, or the balance of power changed significantly.
- The ownership of the entity has changed significantly.
- The client's nature of business has changed significantly.
- The client is requesting that we perform services for them that will change their risk profile.

For more information on customer due diligence, see the help sheet on Customer Due Diligence.

Know your client (KYC) information

We are required to gather information about our clients so that we have an understanding about who they are; who owns and controls them; the intended nature of the business relations they are seeking; the sources of their business; and the nature of the business they undertake.

The purpose of this is to identify what constitutes normal activity for a client, and so what would amount to unusual and potentially suspicious activity.

We will use the "Know Your Client" forms for entities and for individuals, along with the other information on our client files, to satisfy this requirement.

Ongoing monitoring

We are required to monitor our clients' activities to ensure that they are consistent with our understanding of their business and personal affairs.

For high risk clients we must carry out enhanced ongoing monitoring which involves keeping a much closer eye on the underlying transactions.

Reporting suspicious activity

Where you encounter any transaction that you know or suspect may amount to money laundering (including bribery and tax evasion), you must report it to the firm's MLRO² who is: Janet Davies

You should use the Suspicious Activity Report form to do this. In order to avoid the offences of tipping off or prejudicing an investigation you should not discuss your suspicions with anyone other than the MLRO².

See the following help sheets which deal with the various aspects of your duty to report:

- "Duty to report" – which explains the term "money laundering" and what constitutes knowledge or suspicion.
- Obtaining a "Defence against a principal money laundering offence" – which deals with situations where the firm suspects that it is being used as part of a money laundering transaction.
- "Exemption from reporting in privileged circumstances" – which deals with information that comes to us in privileged circumstances.

² Money Laundering Reporting Officer



If you are in any doubt about whether you should report something or not you should discuss the matter with the MLRO²

Tipping off

In view of the danger of tipping off or prejudicing an investigation it is the firm's policy not to discuss any reports with clients or other third parties. This means that the client must not be made aware that a report has been made. It also means that the client should not be made aware if an investigation into allegations of a money laundering offence has been committed or carried out.

If it appears necessary to disclose the existence of a report or an actual or contemplated investigation to any other person (i.e. not the client) then the MLRO must be consulted before any disclosure is made.

Training and competence

You must complete the on-line Introductory Money Laundering training and take the associated test. A copy of the certificate should be provided to the MLRO for the firm's records.

You must also read the monthly newswire outlining recent changes to ensure that you remain up to date with the latest requirements.

You must record AML training undertaken in your CPD records.

You should also be aware of the firm's AML policies and procedures which incorporate procedures to prevent bribery, the facilitation of tax evasion and terrorist financing.

We will carry out an annual appraisal to assess your skills, knowledge and expertise so that we are happy that you are competent to carry out the work required and able to identify any suspicious activity. You will also be asked to complete an annual fit and proper form.

BOOMS

New beneficial owners, officers and managers (MLRO) will undergo basic DBS checks as part of the application process. These will be retained by the firm. Thereafter annual fit and proper forms will be completed in the usual way.

See the help sheet on BOOMs and DBS checks.

Record Keeping

We will keep the records of customer due diligence including beneficial ownership records, risk assessment and know your client for at least six years from the end of our business relationship with a client or from the conclusion of a one off transaction.

In addition, we will keep the following records for at least six years:

- Annual compliance reviews
- Training records
- Suspicious activity reports

In view of the risk of tipping off, suspicious activity reports will not be filed with other records in the normal client filing system.

See the help sheet on record keeping for more information.



Internal Monitoring and Compliance

We are required by the Regulations to appoint a principal as the AML Compliance officer. This role has been combined with that of the MLRO and is taken on by Janet Davies. At least annually we will review the effectiveness and compliance with these policies and procedures. We will use the “Annual compliance review form” to carry out this review process. Note that a sole practitioner with no staff will not be required to complete an annual compliance review.

Any changes to these policies and procedures will be notified to you by email.

The firm’s procedures are to be found at www.admin2day.co.uk/aml_policy

Each year you will be required to sign the “Annual declaration by staff” form confirming that you have read, understood and will comply with these policies and procedures, that you have received up-date training and you understand your obligation to report suspicious activities and avoid tipping off.